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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

December 26, 2012

CERTIFIED RETURN RECEIPT  
7011 0110 0001 3568 0574

Frank Filas  
Energy Fuels Resources (USA), Inc.  
255 Union Boulevard, Suite 600  
Lakewood, Colorado 80228

Subject: Evaluation of Reclamation Surety and Status of Phase 2 Revision, Energy Fuels Resources (USA), Inc., Tony M Mine, M/017/0049, Garfield County, Utah

Dear Mr. Filas:

The Division of Oil, Gas and Mining's last reclamation cost estimate for the Tony M mine was completed in 2007 and escalated to 2012 dollars, so the reclamation surety amount is now due for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division has developed worksheets to assist both the Division and mine operators to calculate the reclamation surety amount using standard unit costs. These are available on the Division's web site at [http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding\\_worksheets.html](http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html). Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (LMO) by February 15, 2013.** The Division will then review the calculations.

Please contact Wayne Western at 801-538-5263 or by e mail at [waynewestern@utah.gov](mailto:waynewestern@utah.gov) if you have questions about the worksheets.

The Division also requests that you review the LMO to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment to the LMO.



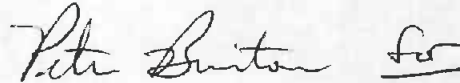
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Concerning a separate issue, in 2008 the Division received a proposal to add a shaft and other facilities for the mine. After two rounds of review and response, the Division considered the proposal to be complete and on January 19, 2010, asked the Bureau of Land Management for its concurrence with the surety amount. The Division did not receive a response from the BLM and since that time has not had communication from Denison Mines or Energy Fuels concerning the application.

The Division will shelve this proposal until Energy Fuels decides to pursue it. At that time the Division will re-review the application to ensure it meets regulatory requirements.

Thank you for your cooperation. Please call me at 801-538-5261 or Wayne Western at 801-538-5263 if you have questions about this letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul B. Baker", followed by a small flourish or mark.

Paul B. Baker  
Mining Program Manager

PBB:whw:pb

cc: [JReay@blm.gov](mailto:JReay@blm.gov)  
[wstokes@utah.gov](mailto:wstokes@utah.gov)  
[oabeyta@blm.gov](mailto:oabeyta@blm.gov)

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